

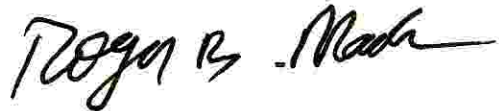
TRANSMITTAL # 2

MEMORANDUM

November 5, 2009

TO: Workforce Development Council

FROM: Roger B. Madsen, Director



SUBJECT: Workforce Investment Act PY08 Annual Report

ACTIONS REQUESTED: Information only.

BACKGROUND:

Each state that receives an allotment under the Workforce Investment Act must prepare and submit an Annual Report of performance - to the Secretary of Labor in accordance with the Act, addressing youth, adult and dislocated worker activities.

This annual report is due no later than October 1 following each program year. The Annual Report, which includes the required performance reports and the narrative, reflects performance outcome information available at the time the Annual Report for the program year is due. The performance under WIA was at a level that would qualify the state for performance incentives if other partner programs also achieve negotiated levels of performance.

This year's annual report contains information on the state's WIA performance, including:

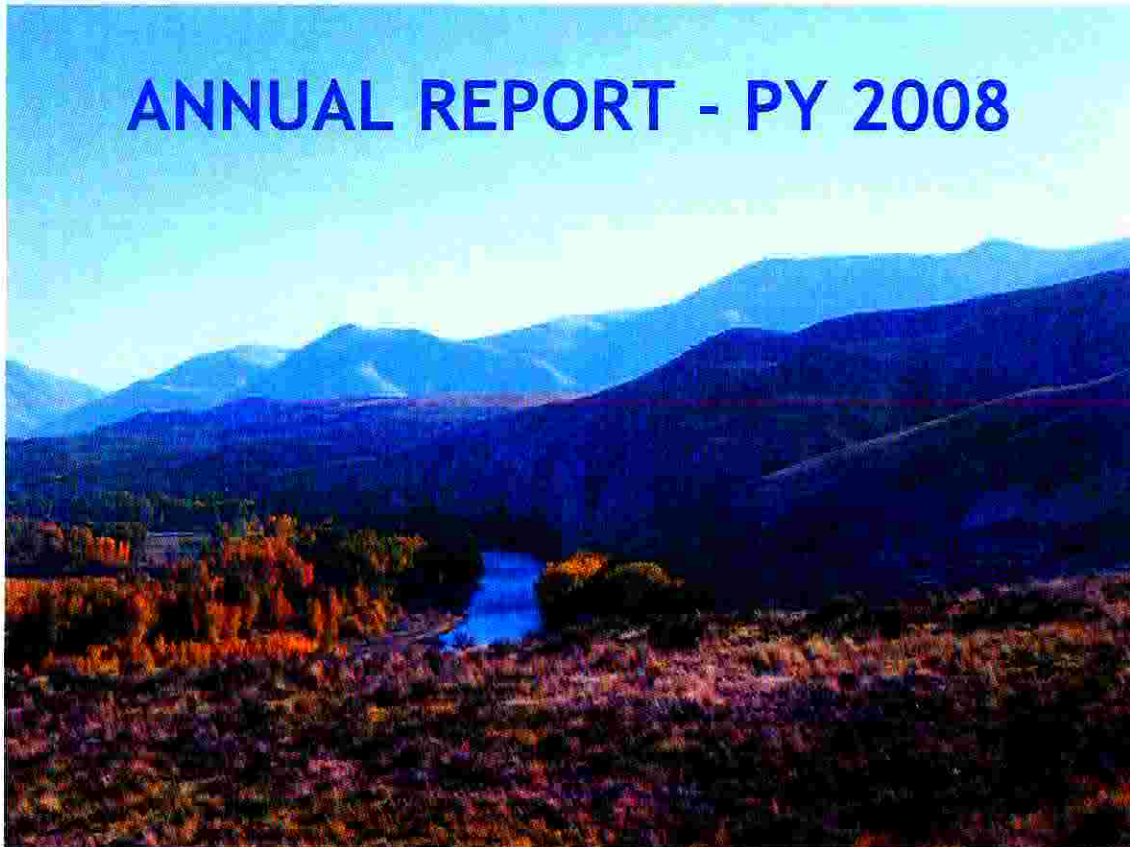
- Performance data on common measures, including progress of local areas in the state in achieving local performance measures;
- Information on the status of state evaluation activities;
- Information on the impact of the waivers submitted by the state;
- Information on the cost of workforce investment activities; and
- Information on participants in the workforce investment system

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STATE OF
IDAHO

WORKFORCE INVESTMENT ACT

ANNUAL REPORT - PY 2008



OCTOBER 2009

WIA Title I Report for the State of Idaho

Evaluation of Activities -

STATE REDISIGNS ITS WIA YOUTH PROGRAM

The Workforce Development Council reviewed its youth program in an effort to redesign the state's service delivery of Workforce Investment Act (WIA) program services for youth in Idaho. Noting major funding reductions over the last five years, the Council garnered input from partner organizations statewide to help identify gaps in services to the neediest youth, how WIA resources might best be utilized in leveraging other partner resources, and how limited WIA resources can best be directed to have a positive impact. Input from a multitude of partners emerged in the final product.

The Council's design required application to the United States Department of Labor for waivers of certain statutory and regulatory provisions. Application for waivers of certain statutory and regulatory provisions is a procedural issue. Approval of these waivers allows latitude in selection of some or all services for delivery with or without procurement. The Council's redesign also reflects its intent to increase the youth program focus on out-of-school youth and to direct in-school efforts toward technical training that prepares students to enter the workforce pipeline. The redesigned approach was implemented at the beginning of program year 2009.

SECTOR INITIATIVES AT WORK

With the nature of work continually changing, increasingly complex skills are required in most if not all industry sectors. For those sectors to remain competitive, they must be able to access a highly skilled workforce. In response to this challenge, Idaho's Governor Butch Otter and the Workforce Development Council recognized that a skilled workforce is the single most important driver in determining the state's future competitiveness and has worked to leverage its human capital investments to strengthen its unique regional industry base. To reach this goal, the Workforce Development Council rallied in support of "sector strategy" initiatives as a powerful means of meeting the needs of Idaho's industries and workers.

Sector strategy initiatives are industry-specific, regional partnerships that address employers' needs for skilled workers, and workers' needs for good jobs. The state implemented a strategic focus to coordinate state employment and training programs and activities to assist in solving the workforce needs of specific high growth industries in each region. The state has initiated training efforts to ensure all state staff is aware of specific high growth industries being targeted in their region, building on the skill set of employees to obtain an understanding of industry workforce needs, as well as having workforce information data to support the need within targeted industries. The establishment of regional networks and partnerships between industry, education, economic and workforce development professionals to align resources to meet these needs, has signaled the transformation of the

state's approach to program delivery by becoming more proactive and flexible in addressing the workforce needs of targeted industries.

State Waivers -

EXTEND THE WAIVER OF THE TIME LIMIT ON PERIOD OF INITIAL ELIGIBILITY FOR TRAINING PROVIDERS

The State of Idaho requested and received an extension of an existing waiver regarding the Workforce Investment Act's time limit on the period of initial eligibility of training providers under 20 CFR 663.530. This waiver has allowed the state's training providers to continue to participate in the WIA program, alleviating providers strong concerns with the implementation of subsequent eligibility requirements such as confidentiality and excessive administrative burden and costs associated with tracking all students. Had this waiver not been approved, many providers would have felt compelled to remove themselves from participating in WIA, essentially denying the state the ability to continue to provide the broadest range of training options for its WIA participants.

STATEWIDE REGIONAL PLANNING AREA—SINGLE STATEWIDE COUNCIL

In the PY2005, the State of Idaho sought a waiver to apply 20 CFR 661.300(f), which permits a state board to carry out the roles of a local board in a single local area to a statewide regional planning area. The waiver allowed the state to address ETA's strategic priorities and to further reforms envisioned in the Workforce Investment Act. To maximize resources available for service delivery, the state continued to use the Workforce Development Council as the local workforce board throughout the state. This saved the WIA program in the state approximately \$1.5 million dollars by removing the administrative overhead of maintaining six regions throughout the state. Since then, these former administrative funds have been utilized as program funds allowing for more participants to be served, which has been a boon in light of the continually diminishing funding the WIA program receives in the state. This change has also fostered the sharing of data and information across regions and eased movement of customers from region to region.

UTILIZATION OF COMMON MEASURES

Since its availability, the state has sought a waiver to use of the U.S. Department of Labor's six common measures for reporting and performance purposes in lieu of the 17 WIA performance measures. By using these six common measures, Idaho has been able to eliminate duplicative administrative systems, reduce paperwork and labor costs associated with redundant data collection, and establish a simplified and streamlined performance measurement system that has saved the state significant amounts of time and money. This has allowed program resources to target a single set of goals rather than competing goals and costly processes.

AN EXEMPTION FROM THE COMPETITION REQUIREMENT FOR THE FOLLOW-UP, SUPPORT SERVICES AND WORK EXPERIENCE COMPONENTS, TO INCLUDE INTERNSHIP AND SUMMER WORK EXPERIENCE, AND HAVING THOSE SERVICES CATEGORIZED AS PART OF THE DESIGN FRAMEWORK WIA Section 123, Section 117(h)(4)(B)(i), and 20 CFR Part 664.400

The State of Idaho requested and received a waiver to integrate the coordination and provision of these youth activities with the elements of the state's youth program design framework delivered through Idaho's One Stop system and its twenty-five One Stop Career Centers, all operated by the WIA fiscal agent, the Idaho Department of Labor. Integration of these services has increased customer choice and flexibility in the customer's service strategy with greater access to WIA as well as partner program services accessed through the One Stop system. The waiver has helped to ensure an efficient, cost-effective delivery system by eliminating duplicate processes among providers for work experiences; the waiver has also allowed for a smoother flow of data that documents the delivery of youth services and the outcomes that result from youth participation.

AN EXEMPTION FROM THE PROHIBITION ON USING WIA YOUTH DOLLARS TO FUND INDIVIDUAL TRAINING ACCOUNTS (ITAS) FOR OLDER YOUTH WIA Section 129 and WIA Regulations 29 CFR 664.510

The State of Idaho received a waiver to allow WIA Youth service providers to employ the use of *Individual Training Accounts* (ITAs) for out-of-school youth. An ITA allows youth to receive individual training in accordance with systems established for WIA Adult and Dislocated Worker programs. The ITA is applicable to older youth who lack the occupational skills to be successful in employment and whose individual service strategy reflects that skill training is appropriate and necessary to attain self-sufficiency. It offers service provider options for youth, maximizing efficiency and customer choice. The waiver was established to help increase the: 1) number of youth entering into employment; 2) percentage of youth receiving credentials; and, 3) number of youth being retained in employment. However, because ITAs for youth were only recently implemented, its impact will not be evident in the state's outcomes.

Return on Investment

Idaho's "Return On Investment" (ROI) provides the required analysis of our workforce investment activities relative to the effect of the activities on the performance of the participants. Reviewing the level of investment (taxpayers' dollars) compared with the return on that investment (participant gains in wages, taxes, reduced public assistance) provides another look at the success of the programs beyond the required performance standards.

Each WIA program demonstrates a positive ROI impact for the community resulting from participation in the program. For individuals enrolled in the Adult program, \$3.97 is returned to the community for each dollar spent and the investment is returned by the participant in almost eight months. For dislocated workers, the investment is also returned in almost eight months with those exiting the program returning \$4.74 to the community for each dollar invested.

Youth, particularly younger youth, are less likely to be directed toward immediate employment upon program completion. A primary goal for these at-risk youth is to encourage them to return to school or to assist them in continuing their education. In recognition of these goals, the analysis considers future impact resulting from continued participation in education through high school and beyond for younger youth. Impacts for older youth who are employment directly upon program completion are computed in the same manner as adults and dislocated workers. The results of our analysis demonstrate that investments in youth are repaid in approximately 11 and a half months and youth are expected to return \$3.14 to the community for each dollar invested in their training.

IDAHO

Adult ~ Program Year 2008

Summary at a Glance

Increased Income Tax Contributions (State & Federal)	\$1,060,358
Increased FICA payments	\$872,697
Reduced Public Assistance Dependency	\$697,752
TOTAL ANNUAL TAXPAYER BENEFIT	\$2,631,313
Monthly Taxpayer Benefit	\$219,276
ADULT PROGRAM COST (Expenditures, PY 2008)	\$1,724,583
Number of months to pay back Taxpayer Investment	7.9

IMPACT OF WIA INVESTMENT

Adult ~ Program Year 2008

Summary at a Glance

Annual Increased Net Earnings of Participants	\$4,206,689
Annual Increase in FICA Contributions	\$872,697
Annual Increase in Federal Income Tax Payments	\$729,358
Annual Increase in State Income Tax Payments	\$331,506
Annual Decrease in Public Assistance	\$697,752
TOTAL ANNUAL IMPACT	\$6,838,002
ADULT PROGRAM COST (Expenditures, PY 2008)	\$1,724,583

Overall Impact of Investment (Impact divided by Program Cost)

Investment
\$1.00

Impact
\$3.97

IDAHO
Dislocated Worker ~ Program Year 2008
Summary at a Glance

Increased Income Tax Contributions (State & Federal)	\$1,525,045
Increased FICA payments	\$1,250,908
Reduced Public Assistance Dependency	\$129,816
TOTAL ANNUAL TAXPAYER BENEFIT	\$2,905,769
Monthly Taxpayer Benefit	\$242,147
D.W. PROGRAM COST (DW & Rapid Response Expenditures, PY 2008)	\$1,883,569
Number of months to pay back Taxpayer Investment	7.8

IMPACT OF WIA INVESTMENT
Dislocated Worker ~ Program Year 2008
Summary at a Glance

Annual Increased Net Earnings of Participants	\$6,025,368
Annual Increase in FICA Contributions	\$1,250,908
Annual Increase in Federal Income Tax Payments	\$1,053,049
Annual Increase in State Income Tax Payments	\$471,996
Annual Decrease in Public Assistance	\$129,816
TOTAL ANNUAL IMPACT	\$8,931,137
D.W. PROGRAM COST (DW & Rapid Response Expenditures, PY 2008)	\$1,883,569

Overall Impact of Investment (Impact divided by Program Cost)

Investment
\$1.00

Impact
\$4.74

IDAHO
Youth ~ Program Year 2008
Summary at a Glance

Increased Income Tax Contributions (State & Federal)	\$1,082,933
Increased FICA payments	\$853,016
Reduced Public Assistance Dependency	\$90,204
TOTAL ANNUAL TAXPAYER BENEFIT	\$2,026,153
Monthly Taxpayer Benefit	\$168,846
YOUTH PROGRAM COST (Program Expenditures, PY 2008)	\$1,939,436
Number of months to pay back Taxpayer Investment	11.5

IMPACT OF WIA INVESTMENT
Youth ~ Program Year 2008
Summary at a Glance

Annual Increased Net Earnings of Participants	\$4,065,825
Annual Increase in FICA Contributions	\$853,016
Annual Increase in Federal Income Tax Payments	\$737,321
Annual Increase in State Income Tax Payments	\$345,612
Annual Decrease in Public Assistance	\$90,204
TOTAL ANNUAL IMPACT	\$6,091,978
YOUTH PROGRAM COST (Program Expenditures, PY 2008)	\$1,939,436

Overall Impact of Investment (Impact divided by Program Cost)

Investment	Impact
\$1.00	\$3.14

Return on Investment

BACKGROUND

Each person who applies for WIA services completes an application that supplies information on employment status, cash welfare and/or food stamps recipient status, number in the family and number of dependents. Unemployment Insurance records are also accessed for pre-program wage information. This information constitutes the raw data used as pre-program information.

Upon completion of the training, information is recorded on each individual regarding his or her employment status and earnings. This information constitutes post-program data.

For younger youth whose goal is not immediate employment, pre-program information is based on the mean earnings of those with less than a high school education as reported in the most recent Current Population Survey (CPS.) Post-program information is the mean earnings for high school graduates from the same survey. While this does not report actual earnings, it is used as an indicator of future program impact.

The raw data collected at these points is used to project and compute employment rate, net (take home) pay of the employed, FICA and federal and state income tax contributions and public assistance costs. By comparing pre-program and post-program data, we can reasonably determine the benefit of the program compared to the cost of the program.

METHODOLOGY

Federal and state income taxes paid are calculated by using federal and state tax tables, based on average income, average family size, and the most frequently occurring filing status of participants. Increased tax contributions are derived from subtracting pre-program contributions from post-program contributions.

Annual public assistance costs are calculated by multiplying the number of cash welfare recipients by the maximum monthly welfare grant times twelve; Food Stamp costs are calculated by multiplying the number of food stamp recipients by the average monthly food stamp amount times twelve. Decreased public assistance costs were derived by determining whether an individual who was on assistance at intake was working more than 25 hours a week at \$7.25 per hour. If so, she or he would not have qualified for cash assistance, so the maximum monthly benefit as of July 1, 2008, for both cash assistance and food stamp assistance was counted as savings.

FICA contributions are calculated to be 15.3 percent of gross earnings.

Net (take home) earnings of the employed are calculated by computing the annual gross income and subtracting employee FICA and income taxes. Pre-program earnings are based on earnings reported in unemployment insurance records; post-program earnings are based on employment data collected at program exit.

TAXPAYER RETURN ON INVESTMENT

The Taxpayer Return on Investment represents the rate of return of taxpayer dollars, through increased tax contributions and decreased welfare costs.

To calculate the Taxpayer Return on Investment, the Total Annual Benefit is divided by twelve to produce a Monthly Taxpayer Benefit. The Program Cost is then divided by the Monthly Taxpayer Benefit to calculate the number of months it takes to pay back the taxpayer investment in WIA for the year in question.

IMPACT OF INVESTMENT

This is a measure of the program's overall benefit to the community. When calculating the Impact of Investment, net earnings of the participants are included, as well as the increased tax contributions and decreased welfare costs. Even though these earnings are not directly returned to the taxpayer, they represent a measure of increased productivity.

ASSUMPTIONS

The ideal calculation of the return on WIA investments would contain raw data on individual participants for an entire year prior and subsequent to participation in WIA. The cost of collecting such data, however, would far outweigh the benefit of doing so. As such, these calculations rely on a number of assumptions about the data and about pre- and post-program conditions of participants. These are identified below.

In general, it is assumed that the following data, collected during program intake and exit as well as from unemployment wage records, remained constant for the entire year prior and subsequent to program participation, respectively:

- Earnings
- Employed/Unemployed Status
- Public Assistance Grant Amounts
- Family Size

OTHER ASSUMPTIONS:

Using the average income, average family size, and most frequently occurring filing status to calculate tax contributions will yield a representative, yet conservative, estimate for the individuals being counted.

Individuals are receiving all public assistance benefits for which they are eligible both prior and subsequent to program participation.

OTHER TAXPAYER BENEFITS

The benefits reflected in these calculations include only a portion of those actually accruing to the taxpayer for these programs. Other welfare costs associated with Medicaid, subsidized housing, and Supplemental Security Income, for example, will generate significant savings if no longer received by program completers. Reduced Unemployment Insurance costs may generate additional savings. These measures also reflect increased tax contributions only for state and federal income taxes, without the inclusion of local and sales taxes. Information needed to calculate these related savings, however, is either not available or cost-prohibitive to produce.

Table Section

The following tables are not applicable to the state of Idaho and are excluded from this report: –

Table A - Workforce Investment Act Customer Satisfaction Results;

Table H.2 – Older Youth (19-21) Program Results;

Table I – Outcomes for Older Youth Special Populations;

Table J – Younger Youth (14-18) Results; and

Table K – Outcomes for Younger Youth Special Populations

Table B – Adult Program Results

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	84.00%	85.8%	199 232
Employment Retention Rate	85.00%	90.4%	348 385
Average Earnings	\$9,500.00	\$12,773	\$3,959,593 310

Table C – Outcomes for Adult Special Populations

Reported Information	Public Assistance Recipients Receiving Intensive Or Training Services		Veterans		Individuals With Disabilities		Older Individuals	
Entered Employment Rate	79.4%	81 102	100%	22 22	84.6%	33 39	79.2	19 24
Employment Retention Rate	95.7%	163 181	87%	20 23	77.8%	28 36	93.8%	15 16
Average Earnings Rate	\$11,792	\$1,709,854 145	\$12,941	\$258,811 20	\$10,535	\$263,375 25	\$8,695	\$113,039 13

Table D – Other Outcome Information for the Adult Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
Entered Employment Rate	88.6%	155	77.2%	44
		175		57
Employment Retention Rate	90.9%	299	87.5%	49
		329		56
Average Earnings Rate	\$13,436	\$3,600,807	\$8,5423	\$358,787
		268		42

Table E – Dislocated Worker Program Results

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	89%	94.3%	300
			318
Employment Retention Rate	91%	93.2%	368
			395
Average Earnings	\$13,000	\$13,954	\$4,883,782
			350

Table F – Outcomes for Dislocated Worker Special Populations

Reported Information	Veterans		Individuals With Disabilities		Older Individuals		Displaced Homemakers	
Entered Employment Rate	90.3%	28	92.3%	12	93.2%	41	95.7%	22
		31		13		44		23
Employment Retention Rate	86.1%	31	95.2%	20	94.4%	34	92.3%	36
		36		21		36		39
Average Earnings Rate	\$16,861	\$522,684	\$11,051	\$221,029	\$11,527	\$357,322	\$13,358	\$467,519
		31		20		31		35

Table G – Other Outcome Information for the Dislocated Worker Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
Entered Employment Rate	93.8%	210 224	95.7%	90 94
Employment Retention Rate	92.1%	258 280	95.7%	110 115
Average Earnings Rate	\$14,542	\$3,606,470 248	\$12,523	\$1,277,312 102

Table H.1 – Youth (14-21) Program Results

	Negotiated Performance Level	Actual Performance Level	
Placement in Employment or Education	70%	76.1%	236 310
Attainment of Degree or Certificate	50%	80.4%	287 357
Literacy and Numeracy Gains	30%	25.2%	30 119

Table L – Other Reported Information

	12-Month Retention Rate		12-Month Earnings (Adults & Older Youth) or 12 Mo. Earnings Replacement (Dislocated Workers)		Placements in Nontraditional Employment		Wages at Entry into Employment for Those Individuals Who Entered Unsubsidized Employment		Entry in Unsubsidized Employment Related to the Training Received of Those Who Completed Training Services	
Adults	89.1%	353 396	\$7,312	\$2,624,988 359	18.6%	37 199	\$5,625	\$1,034,926 184	72.9%	113 155
Dislocated Workers	92.9%	395 425	125.6%	\$5,689,397 \$4,529,468	24%	72 300	\$7,056	\$2,031,992 288	68.6%	144 210

Table M – Participation Levels

	Total Participants Served	Total Exiters
Total Adult Customers	412,690	209,161
Total Adult Self-Service Only	410,734	208,372
WIA Adult	411,656	208,801
WIA Dislocated Worker	1,081	382
Total Youth (14-21)	949	480
Younger Youth (14-18)	670	359
Older Youth (19-21)	279	121
Out-of-School Youth	557	283
In-School Youth	392	197

Table N – Cost of Program Activities

Program Activity		Total Federal Spending
Local Adults		\$ 1,724,583
Local Dislocated Workers		\$ 1,222,116
Local Youth		\$ 1,939,436
Rapid Response (up to 25%) WIA134 (a) (2) (A)		\$ 661,453
Statewide Required Activities (Up to 15%) WIA134 (a) (2) (B)		\$ 1,061,098
Statewide Allowable Activities §134(a)(3)	Older Worker Assistance	\$ 20,018
	Workforce Development shared costs	\$ 7,792
	Labor Market Information	\$ 39,776
	Region III Audit	\$ 26,500
	Total of All Federal Spending Listed Above	\$ 6,702,772

Table O: Local Performance

Local Area Name Region I – Idaho Balance of State	Total Participants Served	Adults	371,777
		Dislocated Workers	1009
		Older Youth	261
		Younger Youth	636
ETA Assigned # 16005	Total Exiters	Adults	187,601
		Dislocated Workers	361
		Older Youth	112
		Younger Youth	347

		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants		
	Employers		
Entered Employment Rate	Adults	84%	86%
	Dislocated Workers	89%	94%
	Older Youth		
Retention Rate	Adults	85%	90%
	Dislocated Workers	91%	93%
	Older Youth		
	Younger Youth		
Average Earnings (Adults/DWs) Six Months Earnings Increase (Older Youth)	Adults	\$9,500	\$12,715
	Dislocated Workers	\$13,000	\$13,990
	Older Youth		
Credential/ Diploma Rate	Adults		
	Dislocated Workers		
	Older Youth		
	Younger Youth		
Skill Attainment Rate	Younger Youth		
Placement in Employment/Education	Youth (14-21)	70%	76%
Attainment of Degree or Certificate	Youth (14-21)	50%	81%
Literacy or Numeracy Gains	Youth (14-21)	30%	24%
Skill Description of Other State Indicators of Performance			
Overall Status of Local Performance		Not Met	Met
			YES
			Exceeded

Table O: Local Performance

Local Area Name Region II – East Central Idaho	Total Participants Served	Adults	39,893
		Dislocated Workers	72
		Older Youth	18
		Younger Youth	34
ETA Assigned # 16010	Total Exiters	Adults	21,201
		Dislocated Workers	21
		Older Youth	9
		Younger Youth	12

		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants		
	Employers		
Entered Employment Rate	Adults	84%	75%
	Dislocated Workers	89%	100%
	Older Youth		
Retention Rate	Adults	85%	92%
	Dislocated Workers	91%	100%
	Older Youth		
	Younger Youth		
Average Earnings (Adults/DWs) Six Months Earnings Increase (Older Youth)	Adults	\$9,500	\$13,663
	Dislocated Workers	\$13,000	\$13,014
	Older Youth		
Credential/ Diploma Rate	Adults		
	Dislocated Workers		
	Older Youth		
	Younger Youth		
Skill Attainment Rate	Younger Youth		
Placement in Employment/Education	Youth (14-21)	70%	85%
Attainment of Degree or Certificate	Youth (14-21)	50%	75%
Literacy or Numeracy Gains	Youth (14-21)	30%	50%
Skill Description of Other State Indicators of Performance			
Overall Status of Local Performance		Not Met	Met
			YES
			Exceeded